

## AUSTRIA

# Every year: Annual verification obligation of beneficial owners

**Austrian companies must annually verify and report the accuracy and actuality of the information on their beneficial owners reported in the register. Only a few companies are exempt from this requirement.**

Since 15 January 2018, the Economic Owners Register Act (*Wirtschaftliches Eigentümer Registergesetz, WiEReG*) has been in force. Under this act, beneficial owners of Austrian companies must be identified and entered in a register by means of a notification.

### ***Annual review and confirmation required***

However, that is not the end of the story. Changes must be notified within 4 weeks of becoming known. In addition, affected legal entities must also determine at least once a year whether the information in the register is still up to date. For this reason, affected entities must check whether there have been any relevant changes in their ownership and control structure in the meantime (e.g., due to changes in shareholdings). No more than one year may elapse between notification and review or each further review, but the exact time of a review may be chosen freely.

Even if the information entered in the register is still up-to-date, there is an obligation to confirm the status of the register. To do so, the original message is simply uploaded again unchanged.

### ***Who is affected?***

Affected are "legal entities" domiciled in Austria, e.g., partnerships, limited liability companies, stock corporations, private foundations, co-operatives, associations and other entities whose registration in the companies register (*Firmenbuch*) is required, and additionally also trusts and trust-like agreements. These entities must (i) identify their beneficial owners and (ii) elec-

tronically report them through the Federal Business Service Portal (*Unternehmensserviceportal*). Beneficial owners are all natural persons who ultimately own or control a legal entity. The report must contain information required by law, including the name, date of birth and residence of the beneficial owners. Not affected are associations, limited liability companies and partnerships with exclusively natural persons as partners or shareholders, unless another person can directly or indirectly exercise control over the management.

### ***Penalties can be severe, so document everything***

Failure to comply with these and other duties of care could result in severe fines. Therefore, the annual inspection must be documented under all circumstances. All information and documentation relating to the fulfillment of due diligence obligations must be kept for at least five years from the end of the economic ownership of the respective natural person. In the event of a breach of the obligation to notify, fines can be avoided if the tax authorities are voluntarily notified of the breach in good time.

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If you have questions or would like further information, please speak to your usual contact at Benn-Ibler.

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